

**Monarch  
Investments  
Limited**

**AR07**

**53rd  
Annual  
Report  
1974**







# Monarch Investments Limited

## Directors and Officers

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**R. A. Wykes\***

*President*

**C. J. Parsons, C.A.\***

*Executive Vice-President*

**A. K. Leitch, D.F.C.\***

*Vice-President and Secretary*

**G. E. W. Winship\***

*Vice-President*

**R. E. Aldred, F.I.Q.S., F.I.O.B.**

*Deputy Chairman, Taylor Woodrow Limited*

**G. Drummond Birks**

*President,*

*Henry Birks & Sons Limited*

**G. E. Jackson**

*Senior Vice-President,*

*Reed, Shaw, Stenhouse Limited*

**D. F. Johnstone**

*Property Investment Manager,*

*The Standard Life Assurance Company*

**N. J. Notley**

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**Sir Frank Taylor, D.Sc. (Hon.), F.I.O.B.**

*Managing Director,*

*Taylor Woodrow Limited*

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**D. R. Wilson, C.A.**

*Treasurer*



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### **Solicitors**

**McMillan, Binch**

*20 King Street West, Toronto*

### **Auditors**

**Peat, Marwick, Mitchell & Co.**

*Commerce Court West, Toronto*

### **Bankers**

**The Toronto-Dominion Bank**

*King and Bay Streets, Toronto*

**Bank of Montreal**

*Market Square Branch, London*

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### **Transfer Agents**

**Canada Permanent Trust Company**

*20 Eglinton Avenue West*

*Toronto, Ontario M4R 2E2*

*455 Granville Street, Vancouver*

### **Debenture Trustee**

**Royal Trust Company**

*Royal Trust Tower, Toronto-Dominion Centre, Toronto*

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\*Executive Directors



Every effort was made to preserve the trees surrounding the Chartwell Shopping Centre.

Mr. Brad Heintzman, President of Hammond International Canada Limited lays the corner brick of their new 64,000 square foot head office and manufacturing facilities in Chartwell Industrial Park.

Chartwell Shopping Centre showing the arches over the pedestrian walkway which accentuate the quality brickwork.

The Balmoral, a typical 2 storey home in Beechwood North, Waterloo. The home has 2,237 square feet of living space plus basement and sells for approximately \$73,000.

A group of the Monarch team inspect site grading underway in Neighbourhood 4, Westminster Park, London.









# Monarch Investments Limited

## To our Shareholders:

A strong real estate market during the first half of last year resulted in the Company producing record sales for 1974. Your Directors are again pleased to present to you the Financial Results for the fiscal year ended December 31, 1974 with Audited Financial Statements reported on by Peat, Marwick, Mitchell & Co. These include a Consolidated Balance Sheet, Consolidated Statement of Earnings and Retained Earnings and Consolidated Statement of Changes in Financial Position.

### Financial Statements

The operating profit for 1974 before depreciation and income tax amounts to \$5,122,662. This compares with the profit for 1973 of \$3,733,174. After depreciation, interest on mortgages, bonds, etc., the corresponding figures of net profit before taxes are \$4,706,127 and \$3,350,984. The net earnings for the year, after taxes and minority interests amount to \$2,308,484 as compared with \$1,676,879 for 1973. Total assets increased by approximately \$7,000,000 to \$62,631,651.

Your Directors are proud of the continued growth of our Company, but feel bound to warn shareholders it may be very difficult to continue this growth, to the same extent, in 1975.

### Our Projects

#### *Heron's Hill*

We have completed working drawings for the next phase of this development, but we have withheld making a start on construction pending an improvement in the economic situation, or obtaining a significant amount of pre-leased space. The first phase of Heron's Hill is fully leased and is producing a satisfactory return.

#### *42-48 Charles Street East*

A significant number of the leases in this building were renegotiated during the year and in spite of the substantial vacancy existing in the Bloor-Yonge area, we are pleased to report that this building is fully tenanted.

#### *Kipling Heights Shopping Centre, Etobicoke*

The expansion of the Dominion Store to 23,000 square feet was completed and opened in 1975. This improvement, together with the new Brewers Warehousing store and re-location of a number of the other tenants has resulted in a substantially improved shopping centre and a better quality investment than was previously the case. The volume of sales is up substantially and there are no vacancies.



A group of Monarch's directors examine a model of the proposed Unionville subdivision.  
Left to right: C. J. Parsons, G. E. W. Winship, R. A. Wykes, R. E. Aldred



#### *Eglinton Square Shopping Centre, Scarborough*

While sales volume during the year showed an increase over 1973, the dual effect of both Scarborough Town Centre and Fairview Shopping Centre was a constraint upon the amount of the improvement. During the year we completed the fire prevention and smoke exhaust system which had been undertaken, in cooperation with the Borough of Scarborough. As this is the tenth year since the expansion of the shopping centre in 1965, a large number of leases have come up for renewal, all of which have been successfully renegotiated at substantially higher base rentals and a number of new tenants were introduced into the Shopping Centre.

#### *Apartments — Toronto*

We continued during the year with our policy of improving some of the older apartment buildings, which has resulted in low vacancies and improved rentals.

#### *Chartwell Shopping Centre*

In July, Chartwell Shopping Centre was opened and is fully leased. Sales volume is increasing as the Centre becomes better known. The Centre was runner-up in a competition for a design award held late in 1974.

#### **Monarch Construction Limited**

##### *Chartwell, Scarborough*

This subdivision has continued to be an outstanding success and is showing the results of the years of hard work and good service to the public your Company has put into it. It might be as well to remind shareholders that most of the land was purchased in 1964 and we opened our first models in 1968. The change in product to produce linked detached houses and row houses mentioned in last year's report was very successful and sales remained good throughout much of the year. High interest rates and purchaser lack of confidence in the economy reduced volume considerably in the last quarter, but earlier sales bridged the gap and sales in 1975 have improved significantly.

##### *Dundas*

This small sub division is now underway and sales of large homes is proceeding well.

##### *Unionville*

The Regional Government (York) and Markham have entered into an agreement with the Province for the construction of the York Central Trunk Sewer, which will service our lands on a permanent basis. Meanwhile the interim expansion of the Unionville plant which should include our lands is in the design stage. The Region has also almost completed its Community plan for the area and we hope to be able to actively process subdivision plans during the next few years.

##### *Kitchener/Waterloo*

The Beechwood Subdivision, as a baptism for our Team

in this new area, has been successful. Our homes have sold reasonably well and we are learning a great deal about developing in this area. The position regarding trade sub-contractors referred to in last year's Annual Report has been overcome largely due to our policy of a square deal and prompt payment. A portion of our lands in Highland Park, Kitchener are now designated for development in 1976.

##### *Burlington*

We are experiencing considerable difficulty in processing our land holdings of 275 acres of industrial land and 635 of residential in this City which currently is resisting growth. There is also a problem providing sanitary sewers, but this could be cured easily and economically. Whilst we continue to push for development of these lands, we feel it may be some time before we are successful. The Company feels that this is an excellent area in which houses could be provided for a wide range of purchasers.

##### *St. Catharines*

This small parcel of land is still some years from development but we are actively working on community plans for the area.

##### *Doon*

Our Joint Venture with Buildevco Limited is moving ahead. Town Planning and Engineering firms have been retained and planning has progressed to the point where the Joint Venture has agreed on a plan for the area to be presented to the Kitchener City Council in the near future. This is a first step on the long road to registration so that actual development of the land is probably some years off.

#### **Industrial Development**

The products of the first major year of the Industrial Department became evident in 1974 and the following projects have been completed, long-term financed and fully leased:

64,000 sq. ft. offices and plant to  
Hammond International Canada Limited.  
19,000 sq. ft. warehouse and offices to  
Peterson Steels (Canada) Limited.  
35,000 sq. ft. plant and offices for  
Plymouth Tool and Stamping Limited

Additionally, at the year end your Company had under construction, offices and plants for Jerry Lewis Limited and Silverwoods Dairies Limited. In October construction was concluded on a 52,000 sq. ft. Head office and plant for Elizabeth Arden of Canada Limited which was sold to them on a previously agreed basis.

#### **Monarch Construction (Western) Limited (London, Ontario)**

This Company has broken its own record again this year and the move into slightly more expensive homes, together with maintaining our ever popular smaller models, continues to be successful. Processing of our



smaller parcels of land in Huron Street and Oxford Street have progressed well and we should be in a position to register in the near future.

#### **Monarch Investments — Eastern Division — (Montreal)**

The market which looked so promising for the first half of 1974 faded in the last half, although it has come back slightly in the early months of 1975. Half of the 110 lots facing Beaconsfield Golf Course are now serviced. This is a beautiful area and we anticipate comparatively good sales of lots and houses.

#### **Terminal Towers (Hamilton)**

The retail component of this project showed a good increase in sales during the year and this will probably be improved in 1975 by the additional traffic caused by new developments in the proximity of Terminal Towers. In order to maintain the quality of the building, the Mall has been re-decorated. The stores and apartments are fully leased, whilst the office building is showing a vacancy of approximately 1%. The Holiday Inn, which is a major component of the complex, is showing increased returns on its percentage lease.

#### **Montrow Realty Limited**

This Company operates as a separate division of the Company, receiving fees on an arms length basis from other companies in the Group. It has operated on a profitable basis and is mainly responsible for keeping the vacancies in company properties at a consistently low level.

#### **General**

In the last year or thereabouts, the land development industry has suffered severely from government action at all levels, whilst at the same time they proclaim themselves as dedicated to producing more and cheaper homes. They have seriously undermined the confidence of the industry to the point where large firms are drawing in their horns and many small firms are curtailing or ceasing the land development side of their business.

The main culprits are:

*The Federal Budget measure to not allow the expensing of carrying charges on raw land against other income:*  
The Finance Minister accompanied this measure with a statement that it would encourage developers to bring land on to the market more quickly. When one considers that our strenuous efforts for more than two years to bring new lands to the market have been thwarted by various levels of Government, this statement can be recognised as ludicrous. Very strong representations from well informed groups that this measure would not have this effect and that it would cause the industry to seek additional working capital to pay taxes fell on deaf ears.

Developers do not hold land off the market. All our land which is not under development is being held back by the actions or lack of action by some level of government. Speculators may hold land off the market, but our

experience with such people shows they are set up and financed in such a manner that they cannot expense the carrying charges against other income so that this measure will have no effect on them.

*The Ontario Land Corporation:* We have been assured by every one from Premier Davis down, that this Corporation is not set up to compete with private enterprise, but rather expects to work with the private sector in the eventual development of its vast land holdings. However, many developers are very concerned and suspicious that this may not always be the case and in the fullness of time the Provincial Government will be one of our principal competitors.

*The Provincial Land Speculation Tax Act* is still of concern to those who build and sell rental apartments, but as the Act now stands it will have little or no effect on your Company. However, we are particularly apprehensive of the fact that The Provincial Land Speculation Tax Act excludes sales of land to Government agencies from the tax, which it appears would encourage a land owner in the future to seek a sale to Government before the private sector.

*The Land Transfer Tax Act*, as this now stands, classifies your Company as non-resident and purchases of land by us will be subject to the tax at the 20% level. The Minister has the power to defer payment of the tax and subsequently cancel it where the land is developed and sold to Canadian residents and there have been several instances where this has been done. We have reason to believe he would exercise this in our favour, but we have not been buying land and have had no occasion to test our position. There is one serious aspect in connection with our industrial developments in that a non-resident firm buying or leasing from us (or anyone else) would be subject to this tax. We are working closely with the





appropriate Ministry and are hopeful we will get most of the hazards removed.

All the foregoing are troublesome, worrying and counter-productive, but they are tangible and this Company, like many others in our industry, will find a way of doing business under the new rules, however, onerous, expensive and unproductive they may be. We believe Industry must become more involved with Government and to this end your President has been President of the Urban Development Institute of Ontario and several of your officers have headed committees in this Organisation and the Housing and Urban Development Association of Canada. Both these bodies do extremely important work for our industry and deserve our fullest support.

There is one very dangerous and difficult situation in Canada and many parts of the Western world today which is not tangible and is very difficult to handle. We refer to the "no growth" groups and Councils which have become a phenomenon in recent years. These groups or communities seek to protect their neighbourhoods in the most selfish possible way and our elected representatives seem entirely incapable of dealing with them. It seems to us that this non-acceptance of a reasonable and sensible amount of growth is discriminatory against those who need homes and who incidentally are usually not enfranchised in the municipalities which are capable of growth. We question very much whether this is not an infringement of their rights as Canadians.

However, in spite of all the foregoing, your Directors and team remain quietly optimistic that although we are

unlikely to reach this year's record figures in 1975 we should have quite a good year and we are all working towards it.

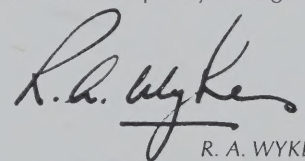
Our team has worked as enthusiastically and well as ever and our sincere thanks are due to them. We have always traditionally thanked our bankers, professional associates, suppliers and sub-contractors and we would reiterate that we continue to get fine service from them.

During the year Mr. R. E. Aldred was elected to your Board. He is Deputy Chairman of the Taylor Woodrow Group and brings years of experience of international affairs with him.

We very much regret to announce that Mr. W. G. C. Howland, Q.C., LL.D., resigned from our Board in February 1975 on the occasion of his elevation to the Court of Appeal of the Province of Ontario. He was a Director of our Company for in excess of twenty years and much more he was a friend of all of us on the Board. We shall miss him very much but are proud of the honour bestowed on him and wish him well in his new sphere of activity.

As a final note may I say a sincere thank you to my fellow Directors for the wise counsel and help they have given me during the past year.

March, 1975



R. A. WYKES  
President

*Solid brick construction accentuates the quality in the Chartwell subdivision where detached single family houses start at \$80,000. Semi-detached houses start at \$70,000 and town houses at \$60,000.*

*The new Canadian Head Office and warehouse of Peterson Steels (Canada) Limited, a member of the SKF Group of Sweden. The 19,000 square foot building was opened in October 1974.*





# Monarch Investments Limited

and Subsidiary Companies

## Consolidated Balance Sheet

December 31, 1974  
with comparative figures for 1973

Assets	1974	1973
Cash (including interest bearing deposits with bankers 1974 — \$1,505,000; 1973 — \$1,592,000)	\$ 1,655,781	\$ 1,694,778
Accounts receivable	734,080	637,511
Mortgages receivable (note 2)	1,108,495	2,264,796
Inventory of land, development costs and construction in progress (notes 1c and 3)	37,702,645	32,305,823
Investment properties:		
Buildings and equipment, at cost	23,408,290	20,563,391
Less accumulated depreciation (note 1e)	4,433,681	4,038,382
	\$18,974,609	\$16,525,009
Land, at cost	1,970,734	1,889,479
	\$20,945,343	\$18,414,488
Other assets	485,307	530,491
	\$62,631,651	\$55,847,887

On behalf of the Board:

C. J. PARSONS, Director

A. K. LEITCH, Director

See accompanying notes to consolidated financial statements



## Liabilities and Shareholders' Equity

	1974	1973
Bank loans and overdrafts secured by assignment of amounts receivable	\$ 990,236	\$ 249,962
Accounts payable and accrued liabilities	5,267,366	3,133,422
Income taxes payable	1,296,072	602,776
Deferred profit relating to land sales (note 1b)	242,824	119,750
Long-term debt:		
Mortgages payable (note 4)	25,249,165	23,689,548
Other (note 5)	13,806,690	13,999,431
	<b>\$39,055,855</b>	<b>\$37,688,979</b>
Deferred income taxes	823,500	1,244,000
Minority interest	531,593	488,950
Shareholders' equity:		
Capital stock (notes 6 and 7):		
Common shares without par value.		
Authorized 2,754,180 shares; issued 2,121,230 shares (1973 — 2,120,030 shares)	3,820,892	3,813,116
General reserve	2,000,000	2,000,000
Retained earnings	8,603,313	6,506,932
	<b>\$14,424,205</b>	<b>\$12,320,048</b>
	<b>\$62,631,651</b>	<b>\$55,847,887</b>

## Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Monarch Investments Limited and subsidiary companies as at December 31, 1974 and the consolidated statements of earnings and retained earnings and changes in financial position for the year then ended. Our examination of the financial statements of the company and its wholly-owned subsidiaries included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Toronto, Ontario  
February 17, 1975

We have relied on the report of the auditors who have examined the financial statements of the partially-owned subsidiary.

In our opinion, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1974 and the results of their operations and the changes in the financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.  
Chartered Accountants



# Monarch Investments Limited

and Subsidiary Companies

## Consolidated Statement of Earnings and Retained Earnings

Year ended December 31, 1974  
with comparative figures for 1973

	1974	1973
Gross operating revenue:		
Land development and construction (note 1b)	\$17,176,651	\$14,220,886
Investment properties	4,591,305	4,205,292
Interest and sundry revenue	508,764	424,721
	<b>\$22,276,720</b>	<b>\$18,850,899</b>
Expenses:		
Cost of land and houses	\$11,485,718	\$10,131,343
Property operating expenses	2,571,903	2,275,495
Depreciation (note 1e)	416,535	382,190
Interest (note 9)	1,344,722	1,275,655
General and administrative expenses	1,751,715	1,435,232
	<b>\$17,570,593</b>	<b>\$15,499,915</b>
Earnings before income tax and minority interest	<b>\$ 4,706,127</b>	<b>\$ 3,350,984</b>
Income taxes (note 11)	2,355,000	1,630,000
Net earnings before minority interest	<b>\$ 2,351,127</b>	<b>\$ 1,720,984</b>
Minority interest in earnings of a subsidiary	42,643	44,105
Net earnings for the year	<b>\$ 2,308,484</b>	<b>\$ 1,676,879</b>
Retained earnings at beginning of year	6,506,932	5,041,931
	<b>\$ 8,815,416</b>	<b>\$ 6,718,810</b>
Dividends paid	212,103	211,878
Retained earnings at the end of year	<b>\$ 8,603,313</b>	<b>\$ 6,506,932</b>
Earnings per share calculated on weighted average number of shares outstanding:		
Basic	<b>\$ 1.09</b>	<b>\$ .80</b>
Fully diluted	<b>\$ 1.05</b>	<b>\$ .78</b>

See accompanying notes to consolidated financial statements



# Consolidated Statement of Changes in Financial Position

Year ended December 31, 1974  
with comparative figures for 1973

	1974	1973
Funds provided:		
From operations:		
Net earnings	\$ 2,308,484	\$ 1,676,879
Add (deduct) items not affecting funds:		
Depreciation	416,535	382,190
Deferred income taxes (note 11)	(420,500)	54,600
Deferred profit on uncollected land sales	123,074	(59,982)
Minority interest in earnings of subsidiary	42,643	44,105
Profit on sale of investment properties	(53,351)	—
Funds provided from operations	\$ 2,416,885	\$ 2,097,792
Issue of capital stock	7,776	1,900,816
Collection of mortgages receivable	1,813,791	1,142,544
Long-term borrowings	2,650,000	15,524,044
Proceeds on sale of investment properties	91,773	—
Transfers from undeveloped land	360,180	1,236,700
Total funds provided	\$ 7,340,405	\$21,901,896
Funds used:		
Sales financed by mortgages	\$ 657,489	\$ 99,148
Repayments of long-term debt	1,283,124	1,305,930
Expenditure on investment properties	2,985,810	474,033
Dividends paid	212,103	211,878
Purchase of undeveloped land	320,772	14,036,760
Carrying costs on undeveloped land	1,602,056	1,111,228
Advances to joint venture	120,530	441,754
Total funds used	\$ 7,181,884	\$17,680,731
Increase in funds	\$ 158,521	\$ 4,221,165
Represented by:		
Funds at beginning of year (note 1f)	\$ 3,429,132	\$ (792,033)
Funds at end of year (note 1f)	3,587,653	3,429,132
	\$ 158,521	\$ 4,221,165
Funds provided from operations — per share, calculated on weighted average of shares outstanding	\$ 1.14	\$ 1.00

See accompanying notes to consolidated financial statements



# Monarch Investments Limited

and Subsidiary Companies

## Notes to Consolidated Financial Statements

December 31, 1974

### 1. Principles of Consolidation and Accounting Policies:

(a) The accounts of all of the Company's subsidiaries have been included and are as follows; Monarch Construction Limited, Monarch Construction (Western) Limited, Montrow Realty Limited, (all wholly-owned) and Monarch Property Developments Limited (partially owned). All material intercompany transactions have been eliminated upon consolidation.

(b) The companies take up income on land sales on the basis of cash received after such receipts exceed 15% of the sales price. Where part of the consideration represents mortgages receivable, the total consideration is included in gross revenue and the related gross profit is deferred, to be taken into income, after deducting the related income taxes, as the mortgages are liquidated. Income arising from the disposition of land under agreements for sale is recognized in the companies' accounts only to the extent of cash received after such receipts exceed 15% of the total sales price.

(c) Land, development costs and construction in progress are carried at the lower of cost and estimated realizable value. The companies add to the original cost of undeveloped land carrying charges including realty taxes, professional fees and mortgage interest except where recovery of such carrying charges is doubtful. Carrying costs are reduced by rentals received on undeveloped land.

(d) Interest, other than that relating to development of investment properties and land is charged to current operations. Interest relating to development of investment properties is included in the cost of the property until construction is completed.

(e) Depreciation of investment properties has been provided using the following methods:

(i) Properties acquired or developed in 1969 and subsequent years — a sinking fund method using a 5% rate by which the cost will be amortized over the estimated useful life of 40 years in amounts increasing year by year.

\$14,031

(ii) Buildings acquired between 1959 and 1969 — a straight-line method by which the cost will be amortized over the estimated useful life of 40 years by equal annual charges.

2,265

(iii) Buildings acquired prior to 1959 — a straight-line method by which the undepreciated cost at December 31, 1970 will be amortized over the estimated remaining useful lives at that time (12 to 27 years).

2,508

(iv) Equipment — a straight-line method by which the cost is written off over three to five years.

171  
\$18,975

(f) For purpose of the statement of Changes in Financial Position the term "funds" is considered to relate to the following accounts:

	1974	1973
Cash (including interest bearing term deposits)	\$ 1,655,781	\$1,694,778
Accounts receivable	734,080	637,511
Other assets	485,307	530,491
Land under development and construction in progress	8,266,159	4,552,512
	<u>\$11,141,327</u>	<u>\$7,415,292</u>
Less:		
Bank loans and overdrafts	990,236	249,962
Accounts payable and accrued liabilities	5,267,366	3,133,422
Income taxes payable	1,296,072	602,776
	<u>\$ 7,553,674</u>	<u>3,986,160</u>
Total funds	<u>\$ 3,587,653</u>	<u>\$3,429,132</u>

### 2. Mortgages Receivable:

Mortgages receivable bear interest at rates ranging from 6¾ % to 11¾ % and fall due as follows:

	1974	1973
	(000 omitted)	(000 omitted)
1974	\$ —	\$ 275
1975	484	419
1976	5	470
1977	72	542
1978	515	546
1979	29	13
1980 and later	3	—
	<u>\$1,108</u>	<u>\$2,265</u>

### 3. Inventory:

Land, development costs and construction in progress comprise the following (see note 1c):

	1974	1973
	(000 omitted)	(000 omitted)
Undeveloped land	\$28,874	\$27,312
Advances to joint venture for land development	562	442



Land under development including development costs	4,998	2,500
Construction in progress	3,269	2,052
	<u>\$37,703</u>	<u>\$32,306</u>

Net carrying costs included in the cost of undeveloped land aggregate approximately \$4,000,000 at December 31, 1975 and \$2,500,000 at December 31, 1973.

#### 4. Mortgages Payable:

Mortgages payable bear interest at rates ranging from 4% to 9¾ % and fall due as follows:

	1974 (000 omitted)		1973 (000 omitted)	
	Investment Properties	Land Held for Development	Total	Total
1974	\$ —	\$ —	\$ —	\$ 911
1975	179	1,685	1,864	1,992
1976	197	975	1,172	1,149
1977	211	1,276	1,487	1,462
1978	226	2,029	2,255	2,544
1979	252	2,053	2,305	2,301
1980				
and later	7,657	8,509	16,166	13,331
	<u>\$8,722</u>	<u>\$16,527</u>	<u>\$25,249</u>	<u>\$23,690</u>

#### 5. Other Long Term Debt:

	1974	1973
	(000 omitted)	
Due by the Company:		
First Mortgage Bonds — 6¾ % due 52,000 annually with balance payable October 1, 1979	\$ 280	\$ 332
Sinking Fund Debentures, Series A — 8% issued February 1, 1973 secured on shares of subsidiaries and by floating charge on all other assets of Company; sinking fund payments of \$125,000 annually required 1978 to 1992 with balance due February 1, 1993	2,500	2,500
Due by Subsidiaries:		
First Mortgage Bonds — repayable in equal monthly instalments combining principal and interest to 1998:		
Interest at 7%	5,020	5,105
Interest at 8%	1,867	1,894
Sinking Fund Debentures — 7% due May 1, 1975	140	168

Term Bank Loan — due on demand but payment expected by bank 1975 to 1980 with interest at 1½ % over prime rate; secured on certain land held for future development

4,000	4,000
<u>\$13,807</u>	<u>\$13,999</u>

#### 6. Capital Stock:

Changes in capital stock in 1974:

	Number of Shares	Stated Value
Outstanding December 31, 1973	2,120,030	\$3,813,116
Issued for cash on exercise of stock options	1,200	7,776
Outstanding December 31, 1974	<u>2,121,230</u>	<u>\$3,820,892</u>

#### 7. Shares Reserved for Stock Options and Warrants:

(a) At December 31, 1974 options covering 31,600 common shares are outstanding at \$6.48 per share exercisable to 1980.

(b) At December 31, 1974 purchase warrants for 124,600 common shares are outstanding at \$9.00 per share exercisable on or before February 1, 1978.

#### 8. Contingent Liabilities:

The company and certain subsidiaries are contingently liable:

- (a) in respect of first mortgages assumed by purchasers of properties sold, and
- (b) in respect of joint venture obligations (almost entirely mortgages on land for development) approximating \$2,800,000.

#### 9. Interest Expense:

	1974	1973
	(000 omitted)	
On long term debt	\$3,050	\$2,254
On other debt	25	15
	<u>\$3,075</u>	<u>\$2,269</u>
Charged to land held for development	1,730	993
	<u>\$1,345</u>	<u>\$1,276</u>

#### 10. Supplementary Information:

The aggregate direct remuneration paid in 1974 to directors and senior officers of the Company, as defined by The Business Corporations Act (Ontario), was 270,300, (1973 — \$197,624).

#### 11. Income Taxes:

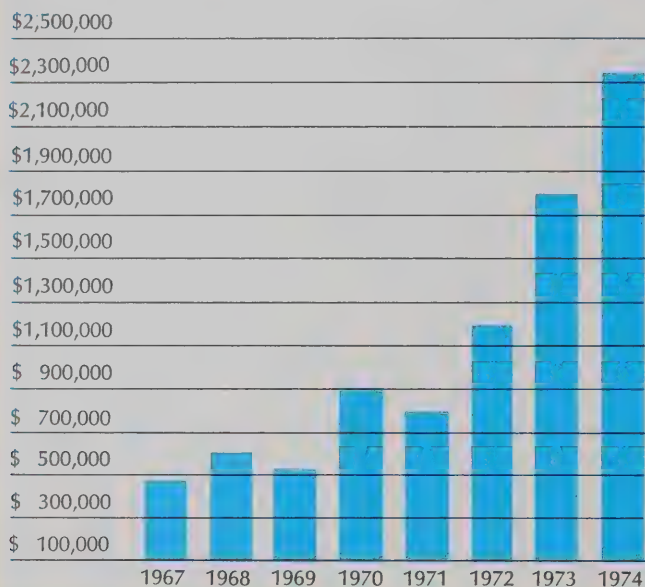
The income taxes for 1974 take into account the budget proposals of November 18, 1974 and the subsequent legislation presently before the House of Commons.



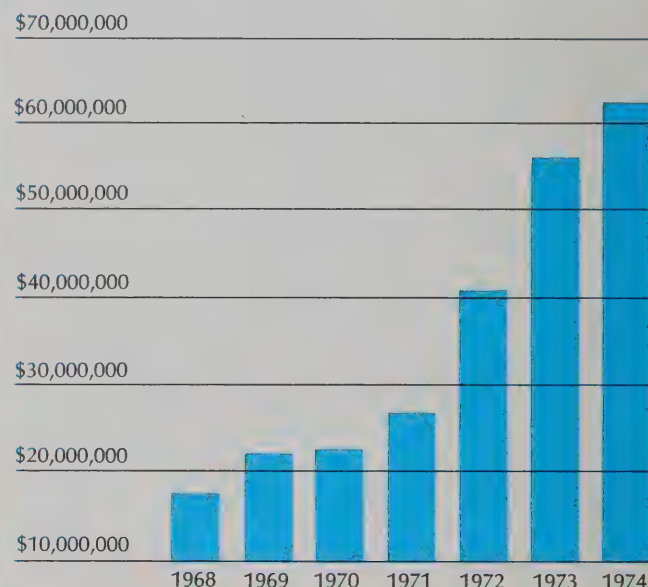
# Monarch Investments Limited

and Subsidiary Companies

## Net Earnings After Income Taxes 1967 to 1974



## Growth in Book Value of Assets After Depreciation 1968 to 1974



The expanded 23,000 square foot Dominion Store is the focal point of the refurbished Kipling Heights Centre, Etobicoke.



Sir Frank and Lady Taylor comment upon one of the signboards whilst Frank Whitfield, Area Manager, Kitchener and Waterloo looks on.



## Ontario and Quebec Land and Property Holdings



Westminster Park, London — *residential*  
 Clarke Sideroad, London — *industrial*  
 Oxford Street, London — *residential*  
 Huron Street, London — *residential*  
 Beechwood North, Waterloo — *residential*  
 Highland West, Kitchener — *residential*  
 Doon Village, Kitchener — *residential*  
 Springcreek Valley, Dundas — *residential*  
 Terminal Towers, Hamilton — *commercial complex*  
 Burlington — *residential and industrial*

Vintage Park, St. Catharines — *residential*  
 Metropolitan Toronto:

North York:  
 Heron's Hill — *offices and commercial*  
 Trethewey Drive — *apartments*

Etobicoke:  
 Kipling Heights Shopping Centre — *commercial*  
 Kipling Maisonnets — *apartments*

City of Toronto:  
 42 Charles Street East — *offices*  
 190 Colin Avenue — *apartments*  
 2526 Bloor Street West — *apartments*  
 117 Old Forest Hill Road — *apartments*  
 725 Eglinton Avenue West — *apartments*

Scarborough:

Chartwell — *residential*  
 Chartwell Shopping Centre — *commercial and offices*  
 Chartwell Industrial Park  
 Eglinton Square Shopping Centre — *commercial and offices*  
 Dorset Court Maisonnets — *apartments*  
 Monarch Heights — *apartments*  
 2402 Queen Street East — *apartments*  
 Chartwell — *residential, industrial and commercial*

Milliken, Markham Township — *residential*  
 Unionville, Markham Township — *residential and industrial*  
 Seigneurie de Vaudreuil — *residential and industrial*  
 Sherwood Park, Kirkland — *residential*  
 Beacon Hill, Beaconsfield — *residential*  
 Briarcliff, Farm 35, Pointe Claire — *residential*



## Chartwell, Scarborough and Markham Lands



## Burlington Lands





# Kitchener and Waterloo Lands

